

**Memorandum
Community Economic Development Department**



To: Rock Island City Council
Subject: 2023 Farm Lease Renewals
Date: April 24, 2023

The City of Rock Island owns three properties that are cash rent leased for agricultural production. The properties are internally referred to as the Andalusia Road farm, the Big Island farm, and the Ridgewood Road farm. The farmers who leased the Andalusia Road farm and the Big Island farm properties in 2022 have expressed their interest in leasing the same properties in 2023. There is no proposed 2023 lease for the Ridgewood Road farm at this time.

The Andalusia Road farm property contains 17 tillable acres. The attached lease agreement is with Mr. Andrew Kordik. Mr. Kordik farms the parcels adjacent to his property along Andalusia Road. The proposed 2023 lease is set at \$120 per acre and will be a total of \$2,040.

The Big Island farm property contains 83.16 tillable acres. The attached lease agreement is with Scot Doxstader. Mr. Doxstader has leased this property from the City for the past several years. The proposed 2023 lease is set at \$120 per acre and will be a total of \$9,979.

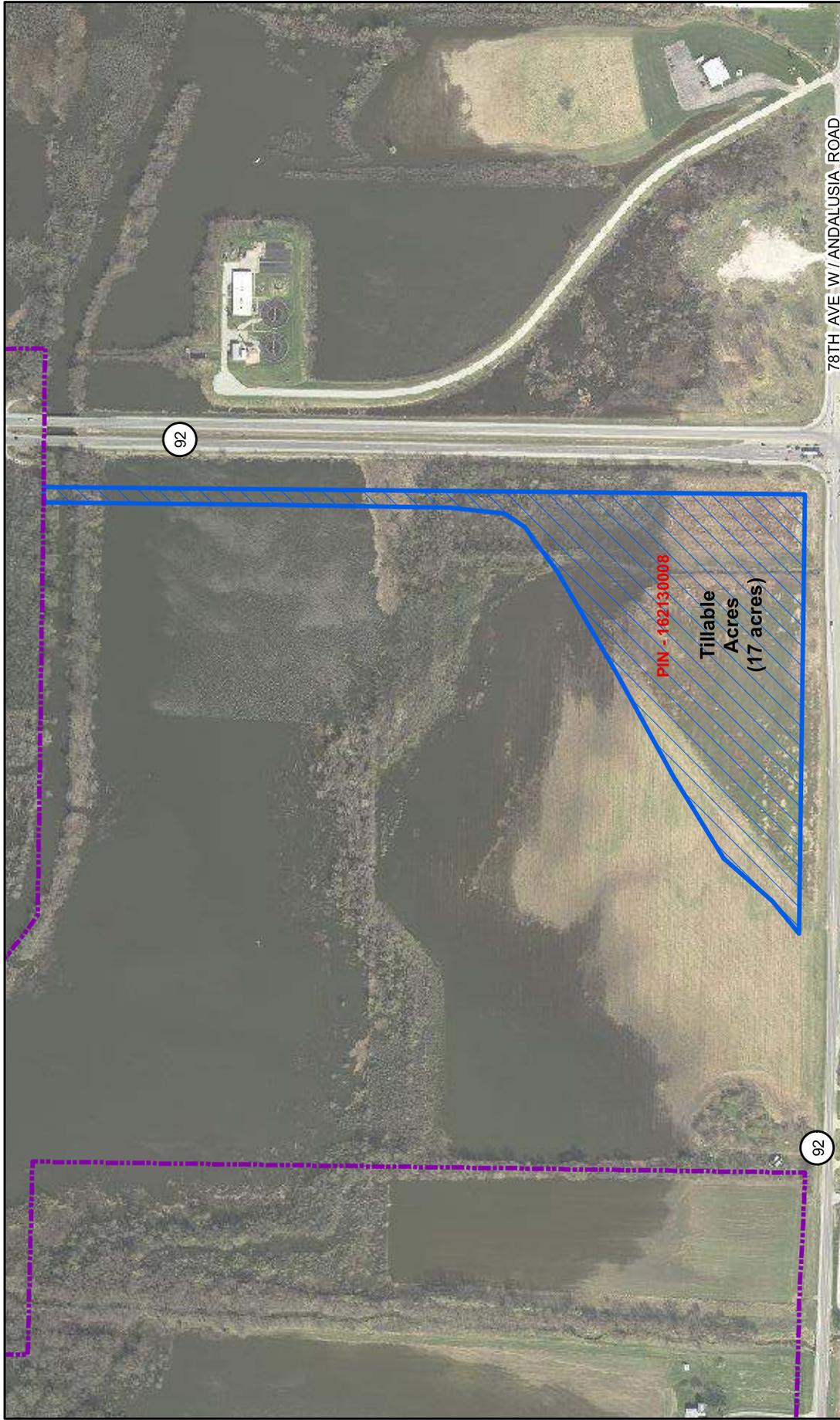
Each of the leases sets the price per acre at \$120. This price is well below the average price per acre of non-irrigated farm land in Rock Island County. To bring the rates to a rate that is more consistent with the average, staff recommends an increase of \$20 per tillable acre each year until the average price per acre, currently between \$200 and \$220 per acre, has been reached.

For your reference, a map of each of the properties has been attached along with the proposed 2023 lease agreement.

RECOMMENDATION: The CED Department recommends City Council approve the 2023 farm lease agreements as attached along with the scaled increase of rent, subject to minor modifications by the City Attorney, and authorize the City Manager to execute the contract documents.

Submitted by: Tarah Sipes, Economic Development Manager
Miles Brainard, Community and Economic Development Director

Approved by: Todd Thompson, City Manager



Andalusia Road Farm Property

 Andalusia Road Farm Property

 City of Rock Island Municipal Boundary

162130008 PIN - Parcel Identification Number

Created on: March 2022

Disclaimer: This map is not a substitute for an actual field survey or online investigation. The accuracy of the map is limited to the quality of the records from which it was assembled. The City of Rock Island makes no warranty concerning this information.



**CITY OF ROCK ISLAND
LEASE AGREEMENT**

THIS LEASE AGREEMENT made and entered into the ____ day of _____, 2023, by and between the CITY OF ROCK ISLAND, ILLINOIS, a Municipal Corporation (hereinafter, CITY) and Andrew Kordik (hereinafter, TENANT).

In consideration of the mutual covenants and agreements set forth herein below, the CITY and TENANT agree as follows:

SECTION 1 — PREMISES

The CITY rents and leases to the TENANT approximately 20.06 +/- acres, of which the parties agree approximately _____ acres are tillable, (hereinafter also referred to as "Premises"), Tax Parcel No. 11191-1, particularly described in the legal description attached hereto and incorporated herein as Exhibit A.

SECTION 2 — TERM OF AGREEMENT

- A. **TERM** — The term of this Agreement, hereafter called LEASE, shall be from April 1, 2023 through December 31, 2023 and the TENANT shall surrender possession of the Premises at the end of the term identified above.
- B. **RENEWAL** — Should the TENANT desire to extend the LEASE in succeeding years, the term of the LEASE will be renegotiated at least thirty (30) days prior to the end of the Term of this lease. Any intent to extend the LEASE beyond the above-stated term shall be placed in writing and delivered to the CITY at least thirty (30) days prior to the end of the current term.
- C. **RIGHT TO TERMINATE** — The CITY or TENANT shall have the right to terminate this LEASE before the end of the term upon giving a thirty (30) day written notice of such termination; provided, however, that CITY agrees to pay TENANT'S costs and expenses related to farming the Premises should termination occur prior to TENANT harvesting crops planted herein.
- D. **DEFAULT** — If either party fails to carry out substantially the terms of the lease in due and proper time, the other party may serve a notice of default citing the instance(s) of default. If the default is not cured within 15 days after notice is sent as provided in Section 9 below, the lease may be terminated by sending notice of termination on or after the 16th day following the notice of default.
- E. **YIELDING POSSESSION** — The TENANT agrees at the expiration or termination of this lease to yield possession of the Premises to the CITY without further demand or notice, in as good order and condition as when TENANT entered upon the lease, loss by fire, flood, or tornado, and ordinary wear excepted. If the TENANT fails to yield possession, the TENANT shall pay to the CITY an amount of rent per day that is equal to double rent based on payment made during the prior year for each day the TENANT remains in possession, in addition to court costs and attorney fees, and any

damages caused by the TENANT to the CITY'S land, improvements, livestock or other related farm personal property. Payments made by the TENANT do not give the TENANT any interest in the land or to land and improvements.

SECTION 3 — RENT

- A. RENT — The TENANT agrees to pay annual cash rent for the above-described Premises in the amount of One Hundred Twenty Dollars (\$120.00) per tillable acre to the CITY. Said rent shall be due and payable in full to the CITY on or before December 31, 2023. Should the TENANT and CITY extend the LEASE for succeeding years, the annual cash rent shall be due and payable in full to the CITY on or before December 31 of each year.
- B. CITY'S LIEN — The CITY shall have a lien by operation of law, statute, and by agreement between the TENANT and CITY, on crops grown or growing on the above described Premises as security for rent herein specified and for the faithful performance of the terms of the lease. Within ten days of being requested by the CITY, the TENANT shall provide the CITY with the names of persons or entities to whom TENANT intends to sell crops grown on the above-described Premises. Additionally, the TENANT agrees to cooperate fully in enabling the CITY'S timely perfection of its interest in any lien that may be provided by law, statute, and agreement such as now exists and as may be altered or amended in the future. The TENANT agrees to provide in a timely manner the CITY or the CITY'S attorney with the information that is considered necessary in order to protect and preserve the CITY'S right as provided by law, statute, and this agreement. If laws affecting this paragraph are changed in any manner, then the TENANT agrees to cooperate fully with any efforts of CITY to protect its interest.
- C. ACCELERATION CLAUSE — If, during the term of this lease, any of the machinery, equipment, goods, and chattels of the TENANT shall be seized or taken by creditors of the TENANT or if the TENANT becomes bankrupt or insolvent, then the current year's rent shall become due and payable and the term shall immediately be forfeited and void at the option of the CITY, the CITY having full and unrestricted access to the land as though the lease had not been made.

SECTION 4 — USE OF PREMISES

TENANT may use the Premises for grain production only. Any other use shall be deemed a material breach of this lease, unless authorized in writing by the CITY.

SECTION 5 — CITY'S INVESTMENT AND EXPENSES

The CITY agrees to provide the property.

SECTION 6 — TENANT'S INVESTMENT AND EXPENSES

The TENANT agrees to furnish the property and to pay the items of expense listed below:

1. All property taxes assessed for the Premises.
2. All the machinery, equipment, labor, fuel, and power necessary to farm the Premises properly.
3. All seed, inoculation, disease-treatment materials, and fertilizers.
4. Before commencing any operations on the Premises, the Tenant shall procure and provide to the City a certificate of insurance naming the City as an Additional Insured on Tenant's farm liability or general liability insurance policy, which shall have limits not less than \$1,000,000.00.

SECTION 7—TENANT'S DUTIES IN FARM OPERATION

The TENANT further agrees to perform and carry out the stipulations below:

1. To cultivate the farm faithfully and in a timely, thorough, and workmanlike manner.
2. To inoculate all alfalfa and soybean seed sown on land not known to be thoroughly inoculated for the crop planted.
3. To prevent noxious weeds from going to seed on said Premises and destroying same and keeping the weeds and grass cut. This maintenance work to include all nontillable surfaces of the leased properties in addition to the maintenance of the tillable acreage.
4. To keep open ditches, tile drains, tile outlets, grass waterways, and terraces in good repair.
5. To preserve established watercourses or ditches and to refrain from any operation that would injure them.
6. To take proper care of all trees, vines, and shrubs, and to prevent injury to the same.
7. To keep the Premises neat and orderly.
8. To prevent all unnecessary waste, loss, or damage to the property of the CITY.
9. To comply with pollution control and environmental protection requirements, to implement soil erosion control practices, and to comply with soil loss standards mandated by the state.
10. To practice fire protection, follow safety rules, and abide by restrictions in any applicable insurance contracts.
11. To use prudence and care in transporting, storing, handling, and applying all fertilizers, pesticides, herbicides, and other chemicals and similar substances; to read

and follow label instructions for the use of such materials in order to avoid injury or damages to persons or property or both on the leased Premises and adjoining areas; and to comply with state pesticide training, licensing, storing and usage.

12. Any chemicals for weed or insect control or other use, when used, should be applied at levels not to exceed the manufacturer's recommendation for the soil types involved. The TENANT agrees to provide to the CITY, annually, a written report indicating the product name, amount, date of application and location of application of all pesticides, fertilizers, and seed used on the farm, within 30 days of a written request.
13. No chemicals will be stored on the property for more than one year. When chemicals or petroleum products are stored on the Premises, they will be only those planned to be used for farming purposes and will be in closed, tight containers above ground, clearly marked. No chemicals or chemical containers will be disposed of on the Premises.
14. To generally follow Natural Resource Conservation Service and Farm Service Agency recommendations and to maintain all other requirements necessary to qualify current and future farm operators to participate in federal farm programs.
15. Not to assign this LEASE to any person or persons or sublet any part of the Premises herein leased.
16. Not to displace any property pins, grading or utilities installed upon the Premises.
17. Not to erect or permit to be erected any structure or building or to incur any expense to the CITY for such purposes.
18. Not to permit, encourage, or invite other persons to use any part of the Premises for any purpose or activity (including hunting) not directly related to its use for agricultural production.
19. Not to plow any permanent pasture or meadowland.
20. Not to allow any stock on any part of the Premises.
21. Not to burn or remove cornstalks, straw, or other crop residues grown upon the farm.
22. Not to cut live trees for resale purposes or personal uses.
23. Not to erect or permit to be erected any commercial advertising signs on the farm.
24. To comply with all state and federal laws, rules and regulations relating to the Premises.

SECTION 8 — ADDITIONAL PROVISIONS AND AGREEMENTS

- A. **CITY'S RIGHT OF ENTRY** — The CITY reserves the right personally or by agents, employees, or assigns, to enter upon the Premises at any reasonable time to view them, to work or make repairs or improvements thereon, to have access to any portion of the Premises or improvements that have been excepted from this lease, to develop mineral resources, or, after notice of termination has been given and following severance of the crops, to prepare the land for the next year's crop and for any other operation necessary in good farming by a succeeding operator. Prior to any default by the TENANT, the CITY shall not interfere with the TENANT'S carrying out of the regular farming operation.
- B. **MINERAL RIGHTS** — Nothing in the LEASE shall confer upon the TENANT any right to mineral rights underlying the land. All mineral rights and interests, if any, remain the sole property of the CITY.
- C. **TREE TRIMMING** — TENANT may trim the trees that interfere with farming. Tree harvesting is not permitted, however, and firewood shall not be removed from the Premises.
- D. **EXTENT OF AGREEMENT** — The terms of this LEASE shall be binding on the heirs, executors, administrators, and assigns of both CITY and TENANT in like manner as upon the original Parties.
- E. **CITY LIABILITY** — The TENANT takes possession of the leased Premises subject to the hazards of operating a farm, and assumes all risk of accidents personally as well as for family, employees, independent contractors, or agents in pursuance of farming operations, or in performing repairs on buildings, fences, tile, and other improvements. Furthermore, TENANT shall indemnify and hold the CITY harmless from any and all acts in connection with use or misuse of Premises and from any and all accidents on the Premises.
- F. **INTEGRATION CLAUSE** — This document, when fully executed, shall represent the entire agreement between the Parties, and no party may rely upon any other written or oral representation concerning this matter.
- G. **ALIENATION CLAUSE** — City shall have the right to alienate any or all of its rights in the Premises during the Term of this lease upon thirty (30) days written notice to Tenant.

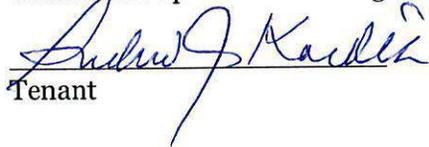
SECTION 9 — NOTICE

All notices required under this lease shall be deemed to be properly served when delivered in writing personally or sent certified mail as follows:

To the tenant:
Mr. Andrew Kordik
39 Timber Ridge Drive
Coal Valley, IL 61240

To the City:
David G. Morrison
City Attorney
1600 5th Avenue, Suite 2
Rock Island, IL 61201

IN WITNESS THEREOF, the Parties have hereunto set their hands and seal and have caused these presents to be signed.



Tenant

City Manager

City Clerk



Big Island Farm Property

-  Big Island Farm Property
-  City of Rock Island Municipal Boundary
- 1616200003** PIN (Parcel Identification Number)

Created on: March 2022



Disclaimer: This map is not a substitute for an actual field survey or online investigation. The accuracy of the map is limited to the quality of the records from which it was assembled. The City of Rock Island makes no warranty concerning this information.

**CITY OF ROCK ISLAND
LEASE AGREEMENT**

THIS LEASE AGREEMENT made and entered into the ____ day of _____, 2023, by and between the CITY OF ROCK ISLAND, ILLINOIS, a Municipal Corporation (hereinafter, CITY) and Scot Doxstader (hereinafter, TENANT).

In consideration of the mutual covenants and agreements set forth herein below, the CITY and TENANT agree as follows:

SECTION 1 — PREMISES

The CITY rents and leases to the TENANT approximately 92.34 +/- acres, of which the parties agree approximately 83.16 acres are tillable, (hereinafter also referred to as "Premises"), Parcel Index Numbers 16-16-200-003 and 16-16-400-011, particularly described in the legal description attached hereto and incorporated herein as Exhibit A.

SECTION 2 — TERM OF AGREEMENT

- A. **TERM** — The term of this Agreement, hereafter called LEASE, shall be from April 1, 2023 through December 31, 2023 and the TENANT shall surrender possession of the Premises at the end of the term identified above.
- B. **RENEWAL** — Should the TENANT desire to extend the LEASE in succeeding years, the term of the LEASE will be renegotiated at least thirty (30) days prior to the end of the Term of this lease. Any intent to extend the LEASE beyond the above-stated term shall be placed in writing and delivered to the CITY at least thirty (30) days prior to the end of the current term.
- C. **RIGHT TO TERMINATE** — The CITY or TENANT shall have the right to terminate this LEASE before the end of the term upon giving a thirty (30) day written notice of such termination; provided, however, that CITY agrees to pay TENANT'S costs and expenses related to farming the Premises should termination occur prior to TENANT harvesting crops planted herein.
- D. **DEFAULT** — If either party fails to carry out substantially the terms of the lease in due and proper time, the other party may serve a notice of default citing the instance(s) of default. If the default is not cured within 15 days after notice is sent as provided in Section 9 below, the lease may be terminated by sending notice of termination on or after the 16th day following the notice of default.
- E. **YIELDING POSSESSION** — The TENANT agrees at the expiration or termination of this lease to yield possession of the Premises to the CITY without further demand or notice, in as good order and condition as when TENANT entered upon the lease, loss by fire, flood, or tornado, and ordinary wear excepted. If the TENANT fails to yield possession, the TENANT shall pay to the CITY an amount of rent per day that is equal to double rent based on payment made during the prior year for each day the TENANT remains in possession, in addition to court costs and attorney fees, and any damages caused by the TENANT to the CITY'S land, improvements, livestock or other related farm personal property. Payments made by the TENANT do not give the TENANT any interest in the land or to land and improvements.

SECTION 3 – RENT

- A. **RENT** – The TENANT agrees to pay annual cash rent for the above-described Premises in the amount of One Hundred and Twenty Dollars (\$120.00) per tillable acre to the CITY. Said rent shall be due and payable in full to the CITY on or before December 31, 2023. Should the TENANT and CITY extend the LEASE for succeeding years, the annual cash rent shall be due and payable in full to the CITY on or before December 31 of each year.
- B. **CITY’S LIEN** – The CITY shall have a lien by operation of law, statute, and by agreement between the TENANT and CITY, on crops grown or growing on the above-described Premises as security for rent herein specified and for the faithful performance of the terms of the lease. Within ten days of being requested by the CITY, the TENANT shall provide the CITY with the names of persons or entities to whom TENANT intends to sell crops grown on the above-described Premises. Additionally, the TENANT agrees to cooperate fully in enabling the CITY’S timely perfection of its interest in any lien that may be provided by law, statute, and agreement such as now exists and as may be altered or amended in the future. The TENANT agrees to provide in a timely manner the CITY or the CITY’S attorney with the information that is considered necessary in order to protect and preserve the CITY’S right as provided by law, statute, and this agreement. If laws affecting this paragraph are changed in any manner, then the TENANT agrees to cooperate fully with any efforts of CITY to protect its interest.
- C. **ACCELERATION CLAUSE** – If, during the term of this lease, any of the machinery, equipment, goods, and chattels of the TENANT shall be seized or taken by creditors of the TENANT or if the TENANT becomes bankrupt or insolvent, then the current year’s rent shall become due and payable and the term shall immediately be forfeited and void at the option of the CITY, the CITY having full and unrestricted access to the land as though the lease had not been made.

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1. All property taxes assessed for the Premises.
2. All the machinery, equipment, labor, fuel, and power necessary to farm the Premises properly.
3. All seed, inoculation, disease-treatment materials, and fertilizers.

4. Before commencing any operations on the Premises, the Tenant shall procure and provide to the City a certificate of insurance naming the City as an Additional Insured on Tenant's farm liability or general liability insurance policy, which shall have limits not less than \$1,000,000.00.

SECTION 7—TENANT'S DUTIES IN FARM OPERATION

The TENANT further agrees to perform and carry out the stipulations below:

1. To cultivate the farm faithfully and in a timely, thorough, and workmanlike manner.
2. To inoculate all alfalfa and soybean seed sown on land not known to be thoroughly inoculated for the crop planted.
3. To prevent noxious weeds from going to seed on said Premises and destroying same and keeping the weeds and grass cut. This maintenance work to include all non-tillable surfaces of the leased properties in addition to the maintenance of the tillable acreage.
4. To keep open ditches, tile drains, tile outlets, grass waterways, and terraces in good repair.
5. To preserve established watercourses or ditches and to refrain from any operation that would injure them.
6. To take proper care of all trees, vines, and shrubs, and to prevent injury to the same.
7. To keep the Premises neat and orderly.
8. To prevent all unnecessary waste, loss, or damage to the property of the CITY.
9. To comply with pollution control and environmental protection requirements, to implement soil erosion control practices, and to comply with soil loss standards mandated by the state.
10. To practice fire protection, follow safety rules, and abide by restrictions in any applicable insurance contracts.
11. To use prudence and care in transporting, storing, handling, and applying all fertilizers, pesticides, herbicides, and other chemicals and similar substances; to read and follow label instructions for the use of such materials in order to avoid injury or damages to persons or property or both on the leased Premises and adjoining areas; and to comply with state pesticide training, licensing, storing and usage.
12. Any chemicals for weed or insect control or other use, when used, should be applied at levels not to exceed the manufacturer's recommendation for the soil types involved. The TENANT agrees to provide to the CITY, annually, a written report indicating the product name, amount, date of application and location of application

of all pesticides, fertilizers, and seed used on the farm, within 30 days of a written request.

13. No chemicals will be stored on the property for more than one year. When chemicals or petroleum products are stored on the Premises, they will be only those planned to be used for farming purposes and will be in closed, tight containers above ground, clearly marked. No chemicals or chemical containers will be disposed of on the Premises.
14. To generally follow Natural Resource Conservation Service and Farm Service Agency recommendations and to maintain all other requirements necessary to qualify current and future farm operators to participate in federal farm programs.
15. Not to assign this LEASE to any person or persons or sublet any part of the Premises herein leased.
16. Not to displace any property pins, grading or utilities installed upon the Premises.
17. Not to erect or permit to be erected any structure or building or to incur any expense to the CITY for such purposes.
18. Not to permit, encourage, or invite other persons to use any part of the Premises for any purpose or activity (including hunting) not directly related to its use for agricultural production.
19. Not to plow any permanent pasture or meadowland.
20. Not to allow any stock on any part of the Premises.
21. Not to burn or remove cornstalks, straw, or other crop residues grown upon the farm.
22. Not to cut live trees for resale purposes or personal uses.
23. Not to erect or permit to be erected any commercial advertising signs on the farm.
24. To comply with all state and federal laws, rules and regulations relating to the Premises.

SECTION 8 — ADDITIONAL PROVISIONS AND AGREEMENTS

- A. CITY'S RIGHT OF ENTRY — The CITY reserves the right personally or by agents, employees, or assigns, to enter upon the Premises at any reasonable time to view them, to work or make repairs or improvements thereon, to have access to any portion of the Premises or improvements that have been excepted from this lease, to develop mineral resources, or, after notice of termination has been given and following severance of the crops, to prepare the land for the next year's crop and for any other operation necessary in good farming by a succeeding operator. Prior to any default by the TENANT, the CITY shall not interfere with the TENANT'S carrying out of the regular farming operation.

- B. MINERAL RIGHTS — Nothing in the LEASE shall confer upon the TENANT any right to mineral rights underlying the land. All mineral rights and interests, if any, remain the sole property of the CITY.
- C. TREE TRIMMING — TENANT may trim the trees that interfere with farming. Tree harvesting is not permitted, however, and firewood shall not be removed from the Premises.
- D. EXTENT OF AGREEMENT — The terms of this LEASE shall be binding on the heirs, executors, administrators, and assigns of both CITY and TENANT in like manner as upon the original Parties.
- E. CITY LIABILITY — The TENANT takes possession of the leased Premises subject to the hazards of operating a farm, and assumes all risk of accidents personally as well as for family, employees, independent contractors, or agents in pursuance of farming operations, or in performing repairs on buildings, fences, tile, and other improvements. Furthermore, TENANT shall indemnify and hold the CITY harmless from any and all acts in connection with use or misuse of Premises and from any and all accidents on the Premises.
- F. INTEGRATION CLAUSE — This document, when fully executed, shall represent the entire agreement between the Parties, and no party may rely upon any other written or oral representation concerning this matter.
- G. ALIENATION CLAUSE — City shall have the right to alienate any or all of its rights in the Premises during the Term of this lease upon thirty (30) days written notice to Tenant.

SECTION 9 — NOTICE

All notices required under this lease shall be deemed to be properly served when delivered in writing personally or sent certified mail as follows:

To the tenant:
 Mr. Scot Doxstader
 2385 North 1800 Avenue
 Coal Valley, IL 61240

To the City:
 David G. Morrison
 City Attorney
 1600 5th Avenue, Suite 2
 Rock Island, IL 61201

IN WITNESS THEREOF, the Parties have hereunto set their hands and seal and have caused these presents to be signed.

 Tenant

 City Manager

 City Clerk